

**JUSTIFICATION AND APPROVAL FOR OTHER THAN  
FULL AND OPEN COMPETITION**

**Part I**

**1. Identification of the Requiring Office:**

The Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Office of the Chief Financial Officer (OCFO), IT Support Section; 395 E Street SW Washington DC 20472

Contracting Officer:

Mr. Robert V. Roberts

Email: [Robert.Roberts1@dhs.gov](mailto:Robert.Roberts1@dhs.gov)

Phone: (202) 646-3205

Fax: (202) 646-3318

COTR: Ms. Gina Smith

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**2. Nature and/or description of action being requested**

FEMA has a requirement to maintain the Information Financial Management Information System (IFMIS) system and provide expertise and consulting services for IFMIS.

***Contractor information:***

Digital Systems Group, Incorporated  
650 Louis Drive  
Warminster, PA 18974

**3. Description of Services:**

The purpose of this acquisition is to maintain the FEMA accounting system, IFMIS. The period of performance shall be from September 1, 2009 through August 31, 2010; the first option period shall be from September 1, 2010 to August 31, 2011. Four (4), three (3) month option periods completing the third year; a total of 36 months possible under this effort.

**4. Estimated Value of the acquisition:**

The government cost estimate for this effort is \$762,500 per year or \$2,287,500.00 for the full three years of anticipated performance. The contract type will be labor hours.

**5. Authority for acquiring the services on other than a full and open competitive basis:**

Authority is FAR 6.302-1, only one responsible source and no other services will satisfy agency requirements.

Due to the instability of the aging system and the fact that the accounting system is subject to modifications and changes in mission requirements, organizations, laws and regulations, it is difficult to determine a fixed level of effort for the service.

Digital Systems Group, Inc. holds the proprietary rights to the current version of IFMIS, the software used for FEMA's accounting system. Due to the proprietary nature of the software, and the necessary modifications to that software to meet the requirements to support FEMA's programs and missions as well as changes in laws, no other entity possesses the knowledge of the IFMIS internal applications, or the rights to modify the proprietary software to effect changes or make fixes as contained in the statement of work.

The Agency's financial management system is a critical information system that tracks fiscal events and summarizes data to support the mission of the agency. IFMIS also provides for adequate management reporting and support for agency level policy decisions that are necessary to carry out fiduciary responsibilities, as well as the preparation of auditable financial statements. Maintenance to the system is necessary to provide FEMA with financial management capability consistent with OMB, GAO and Treasury requirements.

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**6. Additional supporting facts for the acquisition:**

a. GSA has already determined the labor rates for the services offered under the schedule contracts to be fair and reasonable. By placing an order against a schedule contract using the procedures in FAR Part 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs. The historical labor rates under previous schedule task orders were also utilized to determine the pricing as fair and reasonable.

b. There are currently three vendors (which include DSG) whose software packages qualified as meeting the financial system requirements under the Joint Financial Management Improvement Program. The DSG IFMIS software was selected competitively and subsequently upgraded to IFMIS 6.0. The current version complies with the federal requirements for government financial systems. DSG holds the proprietary rights to the current version of IFMIS and no other vendor may make modifications to the software.

**7. Removal of Barriers:**

FEMA is awaiting the award of the DHS Transformation and Systems Consolidation (TASC) initiative; the period of performance for the IFMIS consulting project allows sufficient time for the TASC award and transition. The new system implemented under TASC will replace IFMIS. TASC is a key DHS strategy to achieve compliant Financial Management (FM) services and optimize FM operations across the diverse DHS systems. The CFO-established TASC goals will enable OMB regulatory compliance (e.g., CFO Act, FFMIA, A-123, PMA), improve system security, correct current audit issues, enhance internal controls, improve integration with feeder systems, standardize processes and data, enhance management oversight, and support the PMA. TASC will accomplish these outcomes by consolidating systems, by integrating single, enterprise-wide feeder systems, and standardizing processes and data - simplifying operations onto a platform for efficiency and effectiveness (e.g., consolidate Hosting, Application Management, and Business

Process Services). Thus, DHS will reduce developmental risk and implementation cost, achieve the CFO's goals, leverage and enhance existing systems, implement proven migration processes, and share costs across a broader base while leveraging investments that have already been made.

8. **The following sources expressed interest, in writing, in the acquisition.**

No contractors expressed interest in this project.

I certify this requirement meets the Government's minimum need and that the supporting data, which forms a basis for this justification, is complete and accurate.



Gina Smith  
Contracting Officer Technical Representative

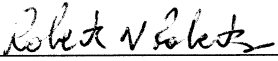
9/2/09

Date

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**Part II**

1. On 15 August 2009, a notice of intent to award a sole source contract was posted to FedBizOps for 15 days in accordance with FAR Part 5.203(a). FEMA received no responses to this notice
2. I have determined that the anticipated price(s) will be fair and reasonable based on a comparison of historical labor rate pricing from the incumbent contractor and a comparison with GSA Schedule labor rates.

  
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Robert V. Roberts  
Contracting Officer

09 Sep 2009  
\_\_\_\_\_  
Date

**Based on the estimated acquisition value identified above, and the supporting documentation, I recommend approval or approve the justification:**

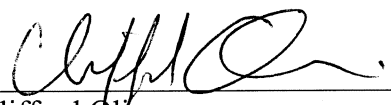
  
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Robert V. Roberts  
Contracting Officer

09 Sep 2009  
\_\_\_\_\_  
Date

Legal Concurrence:

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Michael McCabe  
Office of Chief Counsel

\_\_\_\_\_  
Date

  
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Clifford Oliver  
Competition Advocate  
Director, Acquisition Plans and Programs

9/09/09  
\_\_\_\_\_  
Date

CONTRACT REVIEW MEMO:

DATE: September 3, 2009

REVIEWED: IFMIS – J&A

1. I conducted a review of this Justification and Approval and found it to be legally sufficient. Comments follow in paragraph 2.

2. Comments:

A. Recommended Changes/Corrections – None



Mike McCabe

Attorney

FEMA Office of General Counsel

General Law Division

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